

**CSA #41 - Freestone Water District**  
**FY 2015-16 / FY 2016-17 BUDGET**  
Account Justification

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**OPERATIONS - #3413011**

**Revenues**

**44002 Interest on Pooled Cash**

This account records interest on pooled cash held for the district by the County Treasurer's Office. Estimated interest is projected based on cash on hand and current interest rate trends.

**42601 County of Sonoma**

No additional funds are requested this fiscal year.

**45313 Sale - Water**

Rates are set by ordinance and include annual inflationary adjustments. Average usage data and number of active customers are provided annually by Russian River Utility. The calculations below are based on the proposed rates which must be approved by the Freestone Water District through a Prop 218 process scheduled for Summer 2016. If the rates are not approved, adjustments will be made at firsts quarter budget adjustments.

	FY 15-16	FY 16-17
Base Rate x 28 connections x 12 months	\$17,711	\$22,139
28 connections x \$12.67/1,000 gallons x 4,143 gallons average use x 12 months	\$22,050	\$27,563
	<u>\$39,761</u>	<u>\$49,702</u>

**46029 Donations/Contributions**

Freestone will be granted \$10,000 from the interest earnings of the Special Project Water Fund (SPWF) in both FY 15-16 and FY 16-17 to provide additional revenues to meet expenses. The SPWF is a savings account that can loan from the principal or grant accumulated interest.

**46040 Miscellaneous Revenue**

This revenue is the new Water Tank Lid Replacement component of the District ordinance, approved by the Board of Supervisors on February 1, 2011, that is collected on the customer billing to be used to repay the \$75,000 loan from the Special Projects Water Fund.

Water Tank Lid Replacement Component @ \$30.59 x 28 connections x 12 months	\$10,279
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In addition, Freestone Water District has been deficit spending to pay its expenses during FY 15-16 since the amount of revenues collected from the Sale of Water does not cover the expenses to operate the water treatment system. The Rate Study currently underway will provide the data necessary to determine what the rates need to be to cover expenses moving forward. However, it will be necessary for a loan of funds from another source, possibly the Special Projects Water Fund, to cover the previous deficit spending of prior fiscal years and actual expenses for this fiscal year. Based on the mid-year estimates, Freestone is anticipated to need an additional \$60,000 to cover expenses for Fiscal Year 15-16. Since the actual source of the loan funds is unknown at preparation of the 2-Year Adjustments, the amount is added as Miscellaneous Revenue.

Additional loan to cover deficit spending	<u>\$60,000</u>
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Total \$70,279

## Expenditures

### 51071 Maintenance-Bldg & Imp

No major maintenance is expected in Freestone. Budgeted funds are for on-going maintenance.

### 51201 Administration Services

This line item reimburses the Roads Division for administrative services provided to the district. There are additional reporting requirements, Prop 218 processes, and other projects, such as the capital project improvement plan development, that need to be performed by TPW staff. In addition, the past two fiscal years have seen actual staff expense higher than the budget appropriations. The increased request includes bringing the level of appropriations to recognize the actual cost of services provided by TPW staff and includes appropriations for staff time to perform additional tasks.

	FY 14-15 Final	FY 15-16 Requested	FY 16-17 Requested
Account Clerks	500	500	500
Department Analyst	2,200	2,200	2,200
Engineer	1,500	1,500	1,500
Deputy Director	500	500	500
	4,700	4,700	4,700

### 51206 Accounting/Auditing Services

A policy decision was made by the Auditor-Controller stating that the Comprehensive Accounting Financial Report can be used for the Water Districts. This policy decision will save the Water Districts the annual expense for performing individual internal audit reporting packages.

**51207 Client Accounting Services**

This sub-object covers accounting charges from the County Auditor's office for billings, financial reports and other special services required for special districts. Costs are charged based on actual time spent processing paid claims, state reports and other financial statement review.

	FY 14-15 Adopted	FY 15-16 Requested	FY 16-17 Requested	2nd Year Adjustment
Client Accounting Services	1,537	1,816	1,870	(858)

**51213 Engineer Services**

This sub-object reflects charges for outside engineering services that cannot be performed by County staff. The County engineer that oversees operation and maintenance of the system is included as part of Administration Costs.

	FY 14-15 Adopted	FY 15-16 Requested	FY 16-17 Requested
Engineering services	600	600	4,000

**51221 Medical/Laboratory Services**

A contractor is used to perform lab tests on the various chemical components of the water supply as required by State drinking water regulations. As Freestone's water sources have declined and regulations have tightened the amount of testing and the types of tests have increased resulting in increased costs for the small water districts.

**51249 Other Professional Services**

A new amendment to the agreement with Russian River Utility was approved by the Board of Supervisors on February 26, 2013 adding customer service, including preparing monthly billings. An estimated 7% of the monthly fee is for the customer service tasks of the scope of work.

**51803 Other Contract Services**

Contractors are utilized for the maintenance of the water system including monthly reading of water meters, service calls, and door posting for delinquent payments. The current monthly O&M is \$2,141. An estimated 93% of the monthly fee is for the operations and maintenance tasks of the scope of work.

**51916 County Services Charges**

This account represents account services charges for special districts governed by the Board of Supervisors and are calculated based on the Board's direction to reimburse the Auditor-Controller for 100% of the County Administrator's Office's accounting services costs. The FY 15-16 budget request assumes a 5% increase in reimbursements compared to FY 14-15 estimated charges, and the FY 16-17 budget request assumes a 3% increase over FY 15-16. However, amounts charged to each district could increase and/or decrease based on actual costs of providing services and any changes in the use of services, including the number of claims processed, by each district. In prior years this expense has been a separate line item under Fiscal Accounting Services. With the implementation of the County's new Enterprise Financial System (EFS), the expense has been separated into this new account.

	FY 14-15 Adopted	FY 15-16 Requested	FY 16-17 Requested
County Services Charges	0	1,314	1,353

**52191 Utilities**

Electrical services (PG&E) to run water distribution and treatment equipment.

**53402 Depreciation Expense**

This is a non-cash transaction required to comply with generally accepted accounting principles. The depreciation estimate is provided by the Auditor's office.

**CONSTRUCTION -- #34130200****Revenues**

Fees from issued permits for connection to the water system are set aside for future construction costs. In FY 12-13, one permit was issued. No new permits are anticipated.

FY 2015-16 / FY 2016-17 BUDGET  
STATEMENT OF SPECIAL FUND ACTIVITY

Draft date:  
5/26/2016

Name of Fund: CSA #41 FREESTONE WATER - OPERATIONS

Division Title: PUBLIC WORKS - CSA #41 FREESTONE

Department 34130100  
Fund 45405

Internal Reference Only

	Actual FY 13-14	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
Undesignated / Unreserved Beginning Fund Balance				
Available for Budgeting	41,372	25,383	(2,929)	12,314
PLUS: Revenues	46,084	55,964	131,615	70,299
LESS: Expenditures	67,518	89,621	121,086	73,286
Adjustments to Reserves / Encumbrances:				
Depreciation	12,339	12,339	12,339	12,340
Donation of Capital Asset				
Special Project Water Fund Loan Principal Payment (GL204)	(6,563)	(6,895)	(7,244)	(7,650)
Special Project Water Fund Loan Principal Payment Adj	(332)	(349)	(400)	0
Unrealized Gains and Losses	0	249	19	0
<i>rounding</i>	<i>1</i>			
Undesignated / Unreserved Ending Fund Balance				
Available for Budgeting	25,383	(2,929)	12,314	14,016
(SURPLUS) / DEFICIT FOR FISCAL YEAR	21,434	33,657	(10,529)	2,987
In addition, Freestone Water District has been deficit spending to pay its expenses d	15,989	28,313	(15,243)	(1,703)

DETAIL OF FUND BALANCE COMPONENTS	6/30/13	6/30/14	6/30/15	6/30/2016
10100 Equity in Pooled Cash	48,987	33,288	19,227	
12115 Other Receivables	500	500	3,396	
20100 Vouchers Payable	(874)		(835)	
20300 Accounts Payable		(322)	(13,143)	
21400 Interest Payable	(678)	(607)	(533)	
22100 Due to Other Funds	(6,563)	(6,895)	(7,244)	
23300 Due to Other Governments				
TOTAL	41,372	25,965	869	0

**FREESTONE OPERATIONS -- #34130100-45405**

**FY 2015-16 / FY 2016-17 BUDGET**

<b>REVENUES</b>		<b>Actuals</b>	<b>Adopted</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Final</b>	<b>Estimated</b>	<b>Adopted</b>	<b>2nd Year</b>	<b>Requested</b>
<b>EFS</b>	<b>EFS</b>									
<b>Account #</b>	<b>Title</b>	<b>13-14</b>	<b>13-14</b>	<b>14-15</b>	<b>14-15</b>	<b>15-16</b>	<b>15-16</b>	<b>16-17</b>	<b>Adjustments</b>	<b>16-17</b>
<b>TAXES</b>										
40050	Property Tax Accrual	0	0	0	0	0	0	0	0	0
40202	Direct Charges - PY	0	0	0	0	0	963	0	0	0
	Subtotal	0	0	0	0	0	963	0	0	0
<b>FINES/FORFEITURES/PENALTIES</b>										
43201	Fines, Forfeitures, Penalties	80	0	209	0	0	0	0	0	0
	Subtotal	80	0	209	0	0	0	0	0	0
<b>USE OF MONEY/PROPERTY</b>										
44002	Interest on Pooled Cash	284	229	138	229	318	8	318	0	318
44050	Unrealized Gains and Losses	0	0	(249)	0	0	(19)	0	0	0
	Subtotal	284	229	(111)	229	318	(11)	318	0	318
<b>MISCELLANEOUS REVENUES</b>										
45313	Sale - Water	37,417	34,497	34,780	34,497	39,761	32,389	49,702	0	49,702
46029	Donations/Contributions	0	0	0	0	10,000	0	10,000	(10,000)	(0)
46040	Miscellaneous Revenue	8,303	10,279	8,810	10,279	10,279	8,275	10,279	0	10,279
45200	Revenue Appl PY Misc Revenue	0	0	(1,724)	0	0	0	0	0	0
	Subtotal	45,720	44,776	41,866	44,776	60,040	40,664	69,981	(10,000)	59,981
<b>OTHER FINANCING USES</b>										
	Transfers In - All Others (Special Projects									
47103	Water Fund)	0	0	14,000	0	0	90,000	0	10,000	10,000
	Subtotal	0	0	14,000	0	0	90,000	0	10,000	10,000
<b>TOTAL REVENUES</b>		<b>46,084</b>	<b>45,005</b>	<b>55,964</b>	<b>45,005</b>	<b>60,358</b>	<b>131,615</b>	<b>70,299</b>	<b>0</b>	<b>70,299</b>
In addition, Freestone Water District has been deficit spending to pay its expenses during FY 15-16 since the amount of revenues collected from the Sale of Water does not cover the expenses to o										
<b>EXPENDITURES</b>										
<b>EFS</b>	<b>EFS</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Final</b>	<b>Estimated</b>	<b>Adopted</b>	<b>2nd Year</b>	<b>Requested</b>
<b>Account #</b>	<b>Title</b>	<b>13-14</b>	<b>13-14</b>	<b>14-15</b>	<b>14-15</b>	<b>15-16</b>	<b>15-16</b>	<b>16-17</b>	<b>Adjustments</b>	<b>16-17</b>
<b>SERVICES AND SUPPLIES</b>										
51071	Maintenance-Bldg & Imp	4,085	5,000	14,969	5,000	4,871	21,000	7,000	0	7,000
51077	Maintenance - Infrastructure	0	0	0	0	0	0	0	0	0
51201	Administration Services	8,856	4,700	19,195	4,700	5,686	20,123	7,000	0	7,000
51206	Accounting/Auditing Services	0	0	0	0	0	0	0	0	0
51207	Client Accounting Services	1,577	1,537	1,042	1,816	1,816	1,971	1,870	(858)	1,012
51211	Legal Services	735	500	1,487	1,000	2,650	2,650	1,000	0	1,000
51213	Engineer Services	0	600	0	4,000	4,000	0	2,000	0	2,000
51221	Medical/Laboratory Services	4,251	6,500	5,173	6,500	6,500	12,137	6,500	0	6,500
51241	Outside Printing & Binding	0	150	0	25	25	25	25	0	25
51244	Permits/License/Fees	1,318	500	679	500	551	839	500	350	850
51249	Other Professional Services	1,480	0	1,810	1,900	1,900	1,852	2,000	0	2,000
51250	Planning/Mapping/Inspections	0	0	0	0	0	306	0	0	0
51301	Publications and Legal Notices	0	0	0	0	150	150	150	0	150
51803	Other Contract Services	25,132	25,805	23,419	25,805	25,000	38,677	26,000	(1,000)	25,000
51902	Telecommunication Usage	506	475	676	475	475	586	500	0	500
51910	Courier Services	0	0	0	0	300	0	0	0	0
51911	Mail Services	0	0	12	0	75	50	25	0	25
51916	County Service Charges	0	0	1,059	0	1,314	1,314	0	1,353	1,353
51919	EFS Charges - Claimable	0	0	0	282	0	0	0	0	0
52091	Memberships/Certifications	0	25	13	25	25	0	25	0	25
52101	Other Supplies	0	100	0	100	25	0	25	(25)	0
52111	Office Supplies	0	300	0	300	50	25	50	(25)	25
52117	Mail & Postage Supplies	0	150	0	150	(50)	0	0	0	0
52191	Utilities	4,250	4,000	5,096	4,000	4,400	4,742	4,400	150	4,550
	Subtotal	52,190	50,342	74,629	56,578	59,763	106,447	59,070	(55)	59,015
<b>OTHER CHARGES</b>										
53103	Interest on LT Debt	2,989	3,189	2,653	3,189	3,189	2,300	3,189	(1,259)	1,930
53402	Depreciation Expense	12,339	12,340	12,339	12,340	12,340	12,339	12,340	0	12,340
	Subtotal	15,328	15,529	14,992	15,529	15,529	14,639	15,529	(1,259)	14,270
<b>ADMINISTRATIVE CONTROL ACCOUNT</b>										
59002	Advances	6,563	6,563	6,895	0	7,250	7,244	7,650	0	7,650
59003	Advances Clearing	(6,563)	(6,563)	(6,895)	0	(7,250)	(7,244)	(7,650)	0	(7,650)
	Subtotal	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>		<b>67,518</b>	<b>65,871</b>	<b>89,621</b>	<b>72,107</b>	<b>75,292</b>	<b>121,086</b>	<b>74,599</b>	<b>(1,314)</b>	<b>73,286</b>
<b>NET COST (Expenses - Revenues)</b>		<b>21,434</b>	<b>20,866</b>	<b>33,657</b>	<b>27,102</b>	<b>14,934</b>	<b>(10,529)</b>	<b>4,300</b>	<b>(1,314)</b>	<b>2,987</b>

FY 2014-15  
STATEMENT OF SPECIAL FUND ACTIVITY

Draft date:  
5/26/2016

Name of Fund: CSA #41 FREESTONE WATER - CONSTRUCTION

Division Title: PUBLIC WORKS - CSA #41 FREESTONE

Department 34130200  
Fund 45410

Internal Reference Only

	Actual FY 13-14	Actual FY 14-15	Estimated FY 15-16	Requested FY 16-17
Undesignated / Unreserved Beginning Fund Balance Available for Budgeting	3,787	3,809	3,832	3,876
PLUS: Revenues	22	1	34	25
LESS: Expenditures	0	0	0	0
Adjustments to Reserves / Encumbrances: Unrealized Gains and Losses	0	21	10	0
<i>rounding</i>				
Undesignated / Unreserved Ending Fund Balance Available for Budgeting	3,809	3,832	3,876	3,901
(SURPLUS) / DEFICIT FOR FISCAL YEAR	(22)	(1)	(34)	(25)
NET USE OF FUND BALANCE	(22)	(23)	(44)	(25)

In addition, Freestone Water District has been deficit spending to pay its expenses d	6/30/13	6/30/14	6/30/15	6/30/16
10100 Equity in Pooled Cash	3,787	3,809	3,832	
12100 Accounts Receivable	0	0	0	
12115 Other Receivables	0	0	0	
20100 Vouchers Payable	0	0	0	
21400 Interest Payable	0	0	0	
23300 Due to Other Governments	0	0	0	
TOTAL	3,787	3,809	3,832	0

FREESTONE CONSTRUCTION -- #34130200-45410  
FY 2015-16 / FY 2016-17 BUDGET

REVENUES		Actuals	Adopted	Actuals	Adopted	Final	Estimated	Adopted	2nd Year	Requested
EFS	EFS	13-14	Budget	14-15	Budget	Budget	15-16	Budget	Adjustments	16-17
Account #	Title		13-14		14-15	15-16		16-17		
<u>USE OF MONEY/PROPERTY</u>										
44002	Interest on Pooled Cash	22	0	23	0	0	44	25	0	25
44050	Unrealized Gains and Losses	0	0	(21)	0	0	(10)	0	0	0
	Subtotal	22	0	1	0	0	34	25	0	25
<u>MISCELLANEOUS REVENUES</u>										
	Subtotal	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
	TOTAL REVENUES	22	0	1	0	0	34	25	0	25
<u>EXPENDITURES</u>										
		Actuals	Adopted	Actuals	Adopted	Final	Estimated	Adopted	2nd Year	Requested
		13-14	Budget	14-15	Budget	Budget	15-16	Budget	Adjustments	16-17
<u>OTHER CHARGES</u>										
	Subtotal	0	0	0	0	0		0		
		0	0	0	0	0	0	0	0	0
	TOTAL EXPENDITURES	0	0	0	0	0	0	0	0	0
	NET COST (Expenses - Revenues)	(22)	0	(1)	0	0	(34)	(25)	0	(25)



**FREESTONE WATER DISTRICT SUMMARY**  
**FY 2015-16 / FY 2016-17 BUDGET**

EXPENDITURES	Actuals 13-14	Adopted Budget 13-14	Actuals 14-15	Adopted Budget 14-15	Final Budget 15-16	Estimated 15-16	Adopted Budget 16-17	2nd Year Adjustments	Requested 16-17
TOTAL REVENUES	46,106	45,005	55,965	45,005	60,358	131,649	70,324	0	70,324
TOTAL EXPENDITURES	67,518	65,871	89,621	72,107	75,292	121,086	74,599	(1,314)	73,286
NET COST	21,412	20,866	33,655	27,102	14,934	(10,563)	4,275	(1,314)	2,962